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USDOC FOR ITA DAS KASOFF, MELCHER, OCEA  
STATE PASS USTR FOR STRATFORD, WINTER, KATZ  
NSC FOR LOI, SHRIER  
USPTO FOR BOLAND, WU  
STATE FOR EAP/CM, EB AND E  
TRANSPORTATION FOR OST X-1, X-40

E.O. 12958: N/A

TAGS: [EAIR](#) [ELTN](#) [ECON](#) [PGOV](#) [ELAB](#) [CH](#)

SUBJECT: MEGA TRANSPORTATION HUB - LYNCHPIN OF EAST CHINA AND BEYOND

REF: A) 08 SHANGHAI 18, B) 08 SHANGHAI 19

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¶1. (SBU) Summary: Shanghai authorities are racing to complete one of China's largest infrastructure projects, the city's 26 square kilometer Hongqiao Comprehensive Transportation Hub, in time for the 2010 World Expo. The mega project, located 13 kilometers from the city center in the western suburbs of Shanghai, will integrate the new terminal of the Shanghai Hongqiao International Airport, the magnetic levitation train (Maglev), inter-city shuttle trains, 5 subway lines, 4 highways, and an extensive bus network. In a meeting with Hu Jianzhong, the Director of the Chief Engineering Office at the Shanghai Hongqiao Integrated Transport Hub Project, said that the project is largely on track to be completed, but certain parts, such as the Maglev extension will be postponed until after the World Expo due to "political reasons". The hub will not only facilitate transportation in the greater Shanghai metropolitan area, but will also have far reaching effects for the rest of the Yangtze River Delta (YRD) and beyond. Hu estimated close to 53 million people a year will transit via the hub by 2020. The project is also providing jobs to over 15,000 workers, mostly migrant laborers, in a time of economic slowdown in the city. End summary.

#### The Complexity of the Complex

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¶2. (SBU) The Hongqiao Comprehensive Transportation Hub has been in the planning for ten years and was cited in the Central Government's Eleventh Five Year Plan. Hu Jianzhong explained that the Central Government views this project as a way to "facilitate and push forward development in the YRD region." Both the Shanghai and Central Governments are funding the project - the airport, subway, and road portions primarily by the city, and the rail component primarily by Beijing. The site of the project on Shanghai's west side was chosen because it is relatively close to both Zhejiang and Jiangsu.

¶3. (SBU) Hu said the hub will reach an estimated turnover of close to 53 million people by 2020. The rail component, including the high speed trains, the inter-city shuttles, and

the Maglev, will form Shanghai's third railway station, which will be bigger than the two current railway stations combined in terms of yearly passengers. He estimated the daily capacity of the rail component alone to be 200,000 people. The land area for the total complex is 26 square kilometers, approximately 6 times bigger than the present Hongqiao Airport. Hu said the floor area of the complex is roughly one million square meters, including roughly 500,000 square meters of underground space. The underground space alone will be one of the biggest underground complexes in the world. The facility is so large that a special shuttle has been designed to ferry passengers along the corridor to various transportation connections. The two ends of the corridor will also be connected by a subway extension.

14. (SBU) According to Hu, the biggest challenge of the project has been the relocation of local residents. Although reluctant to state specifics, he did say the numbers were relatively small, explaining that large tracts of land adjacent to Hongqiao Airport were set aside in 1949, before the city engulfed the area. The original plan was that Hongqiao would serve as Shanghai's only airport, and land was set aside for its eventually expansion. Another primary challenge is coordinating all the various, government entities, companies and contractors working on the project. Hu said his job was to make it happen.

#### Airport - Not the Same Old Hongqiao

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15. (SBU) According to Hu, The current Hongqiao airport facility, which served as Shanghai's only airport until 1999, is set to be sidelined as only a service area for private jets and their passengers. A new 250,000 square meter terminal located on the west side of the current runway will soon go into operation, boosting the airport's current capacity to 40 million passengers (4 times its current capacity) and 1 million tons of cargo. Besides extending its current runway, a second runway

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will be added, which will double Hongqiao's landing capacity from approximately 500 flights a day to 1,000 flights a day. It will also raise Shanghai's total runways to five when adding the three in operation at Pudong Airport. Hu added that the new terminal is nearing completion and will likely go into operation in 2009 before the rest of the hub is completed.

#### High Speed Train - Connecting Shanghai to Beijing

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16. (SBU) Hu said that the high speed rail connecting Shanghai and Beijing (Jing Hu Railway) is well under way to being completed by early 2010. It started in late 2007 after several delays by the Central Government. Total length of the line will be roughly 1,300 kilometers, and the train will run at a speed of 350 kilometers an hour, shortening the travel time from the current ten hours to less than five with a total of 21 stops. The current rail line between the two cities will be dedicated solely to cargo. According to Hu, the project is being implemented by the Beijing-Shanghai High Speed Railway Company, which was founded under the auspices of the Ministry of Railways (MOR) and in coordination with the Shanghai, Beijing, Tianjin, Hebei, Shandong, Anhui and Jiangsu governments. HU estimated the cost at roughly RMB 200 billion (USD 29.4 billion), including all the relocation costs. Hu thought the ticket price would be RMB 600-700 (USD 88-103).

17. (SBU) The hub will also incorporate inter-city "shuttle" trains by April 2010. Unlike the high speed Beijing-Shanghai trains, the shuttle trains will run roughly 200 kilometers an hour. The first inter-city shuttle is planned for the Shanghai-Nanjing corridor with 22 stops. Other shuttle lines will link Shanghai with Hangzhou and Ningbo in Zhejiang Province. Hu explained that the shuttle will target those customers who now take long distance buses. These passengers will likely be attracted because the fare will be cheaper, and the shuttle train stops in far more cities than the regular

trains already running between the cities.

18. (SBU) Despite Shanghai Municipal and Zhejiang Provincial government announcements for a high speed rail link to Hangzhou, Hu said the plans have not yet been finalized. He believed that the high speed rail to Hangzhou would likely be an extension of the Beijing-Shanghai line and connect at the Hongqiao Hub. Such an extension would be "very beneficial" since a large number of Hangzhou residents already travel to Shanghai to make use of its airports. Hu explained that the proposed extension has ignited a debate between MOR, Zhejiang Province and Shanghai. MOR is pushing the high speed rail option, but Zhejiang and Shanghai are continuing to plan for the Maglev extension to Hangzhou. He explained that the Maglev is much costlier, emits low levels of radiation, and would only reduce travel time by 10 to 15 minutes over the high speed rail option. Many people are also against the Maglev extension because of the high number of relocations involved. He believed that the only upside of the Maglev is that it is quieter than the high speed rail.

#### Maglev - Unfinished Business

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19. (SBU) Hu said that a Maglev station is being constructed along with the rest of the project but was unclear when the extension line connecting the hub and Longyang Station (the current terminal station) would be completed. He added it definitely will not be before the World Expo. When completed, the Maglev will connect Pudong and Hongqiao airports (55 kilometers apart) with a 15 minute ride, including stops at Longyang Station (in Pudong) and the Shanghai South Rail Station (in Puxi). (Note: The trip between Longyang Station and Pudong airport takes only seven minutes and 20 second as the train's normal operating speed reaches 431 kilometers an hour. End note.)

110. (U) The Central Government first approved the plan for the 169 kilometers to Zhejiang's capital Hangzhou in March 2006, but the plan was reportedly suspended in May 2007 amid environmental concerns about low-levels of radiation from the Maglev. In a

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subsequent media report, Shanghai Government officials refuted the suspension saying it was only delayed pending an environmental impact report, which was released in January 2008 for public comment. The environmental report said that the Maglev will have minimal impact on the environment. However, hundreds of local residents along the proposed line took to the street in "walk-about" in January and February 2008 over concerns of noise, loss of property value and potential health hazards (reftels). Local media reports say the plan for the extension was again given the green light in August 2008, with work to begin in 2010 and completion in 2014.

#### Subway - Connecting an Underground World

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111. (SBU) According to Hu, the hub will eventually serve as the integration point for five subway lines: 2, 5, 10, 17 and the Qingpu Line. However, the immediate plan, to be completed by the World Expo, only calls for two lines - Line 2 and Line 10. Hu said that the Line 2 connection is nearing completion, and he is "hoping" Line 10 will connect to the hub in time for the Expo. (Note: Line 2, once completed, will link the two airports.) These two lines are designed to each handle 80,000 passengers per hour. (Note: The Shanghai subway system itself is another massive project, with seven lines currently being extended or started and 116 new subway stations simultaneously being built. The current length of the system is a little over 230 kilometers with 162 stations, making it the seventh biggest system in the world. Plans are in place to have 510 kilometers of underground rail system by 2012. End note.)

#### Road - More Buses, Cars, and Hopefully a Shorter Taxi Line

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¶12. (SBU) According to Hu the facility will have two large bus stations on the east and west sides that combine both long distance and local buses. The larger west side bus "plaza" will accommodate approximately 30 long distance buses and over 130 local buses, with a daily circulation of an estimated 25,000 people. It will also contain and parking garage that can accommodate over 3,000 vehicles. The hub will also connect with the Shanghai's expanding highway network, which by 2010 will include 10 highways and 60 trunk lines that connect the city to the rest of the YRD. Six highways lead to Jiangsu, and four will connect with Zhejiang. The hub is immediately adjacent to two of the major highways, the A20 outer ring road (connecting both with highways leading north to Jiangsu and south to Zhejiang) as well as the A9 (leading directly to Hangzhou.) The adjacent Yan'an elevated highway also connects the hub to downtown Shanghai.

#### It Takes a Small Army of Workers

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¶13. (SBU) Hu said it was hard to give firm numbers of worker numbers because of the variety of firms involved in the construction. However, he estimated that there were between 10,000 to 15,000 laborers working on the hub, most coming from Anhui Province, and a lesser number hailing from provinces further off such as Hunan and Sichuan. (Note: Shanghai Government estimates say there are roughly 4 million migrant workers all together working in the city. End note.) The vast majority of the workers were housed in temporary on-site dorm rooms. One contracting company recently completed 33 new dorm buildings that can house up to 15,000 workers.

#### Comment

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¶14. (SBU) When the massive Hongqiao hub project initially got underway in 2007, there was a great deal of criticism from local economists that such projects were overheating Shanghai's economy. Now, the project could not be happening at a better time for Shanghai as it continues to absorb a great deal labor, mostly migrant workers, who would otherwise be unemployed. Shanghai's unemployment rate in 2008 was 4.3 percent, and the Municipal Government is hoping to keep it from rising above 4.5

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percent in 2009. The Hongqiao Comprehensive Transportation Hub project could contribute to helping the Government achieve its goal.  
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